

THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF CAMPAIGN & POLITICAL FINANCE

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MARY F. McTIGUE

August 13, 1992 AO-92-22

Mr. Steven A. Camara 199 Purchase Street Fall River, MA 02720-3222

Re: Purchase of Converted Van

Dear Mr. Camara:

This letter is in response to your May 4, 1992, letter regarding the purchase of a converted van by your political committee.

You have stated that you are seeking election to the Office of Governor's Council. You are considering the purchase of a converted van to use as a traveling campaign headquarters as you travel to the fifty-five cities and towns of the First Governor's Council District. You have also considered leasing such a van but have not been able to make arrangements to lease an appropriate van at a reasonable cost. You have reviewed two options regarding the purchase of a van.

One option which is set forth in your letter consists of splitting the costs of purchase and operation of the van between you and your political committee. You would pay 25 percent and your political committee would pay 75 percent based upon an estimate of anticipated personal use versus political use. Under this option all expenses relating to the purchase and operation of this vehicle would be paid with two checks, 25 percent from you and 75 percent from your political committee.

^{1.} A political committee may invest its funds in savings accounts, money market instruments, or funds investing primarily in such instruments. See 970 CMR 2.07(7). In this Office's opinion, the purchase of a car or van at a reasonable price for use in a campaign would not be deemed an investment absent unusual circumstances. For example, if the car or van was an antique that was likely to increase in value and was being purchased for investment, such a purchase would be prohibited.

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You have also discussed a second option with this Office's General Counsel. Under the second option, your political committee would pay the full cost of purchase and operation of the van and you would reimburse your political committee for the limited personal use on a per mileage basis. It is my understanding that you wish to pursue this option.

M.G.L. c.55, s.6 provides, in pertinent part, that political committees such as yours may make expenditures for the enhancement of your political future "so long as such expenditure is not primarily for the candidate's or any other person's personal use, " and providing that such expenditures are otherwise in compliance with this Office's regulations. Although the Office's regulations do not address the purchase of a van as a traveling campaign headquarters, they do provide some guidance on this matter. First, 970 CMR 2.06 reiterates the statutory standard that political committees such as yours may make expenditures to enhance your political future. Second, 970 CMR 2.05 (2)(h) and (j), made applicable to your committee by 970 CMR 2.06 (3), provide that your political committee may make "reasonable and necessary expenses in connection with the operation of a campaign office . including . . . [o]ffice rent" and "reasonable traveling expenses . . . includ[ing] the leasing of a car for campaign related travel " (emphasis added). Reading these provisions together, it is this Office's opinion that your political committee may purchase a converted van to serve as a traveling campaign headquarters in order for you to campaign in the fifty-five cities and towns of the First Governor's Council District provided the van is used more than 50 percent of the time for campaign related purposes and provided that certain other conditions are met.

First, the political committee may pay for the full cost of the van which cost must be "reasonable" only after a good faith effort to lease a van at a reasonable cost has been made. Second, if the van is used on a very limited basis for non-campaign related travel, (ie. daily commuting or the like) by you or anyone else, the political committee must be

^{2.} Although these provisions of the regulations include by way of example the renting of office space or the leasing of a car, they are not intended to be exhaustive and to prohibit expenses which otherwise comply with the campaign finance laws and regulations. If this were so the provisions of 970 CMR 2.06(4) would be rendered meaningless.

^{3.} As noted above, I understand that you intend to have your political committee pay the full cost of the van and that you will reimburse your political committee for any personal use. While the other option may also be permitted (a matter not decided by this opinion) the option that you intend to pursue provides for simpler and more accurate reporting with respect to any personal use of the van and is, therefore, preferable.

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reimbursed for such personal use in accordance with OCPF Memorandum M-90-02, a copy of which is enclosed with this advisory opinion. Third, if the van costs more than \$1,000, has a useful life of more than one year, and would be depreciable in the normal business environment, this Office would consider the van to be an asset of the political committee which would have to be reported annually on OCPF Schedule E (Disclosure of Assets Statement) Please note that all items belonging to the political committee are assets; however, they must be reported only if they are valued at over \$1,000. Finally, if the van were sold after the conclusion of the campaign, or at the time of your political committee's dissolution, your political committee should ensure compliance with the requirements of M.G.L. c.55, s.18's residual funds clause and this Office's Memorandum OCPF M-84-02.

This opinion has been rendered solely on the basis of representations made in your letter and your conversations with this Office's General Counsel, and solely in the context of M.G.L. c.55.

Very truly yours,

Many F. McTigue

Director

Enclosures